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SUBJECT: SCENESETTER FOR CODEL PASTOR VISIT TO THE NETHERLANDS,  
AUGUST 23-26, 2006

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11. Embassy The Hague warmly welcomes Congressman Ed Pastor and his delegation to the Netherlands August 23-26. Your visits to the Energy Center of the Netherlands, Wind Turbine Laboratory, and a wind farm present an ideal opportunity to learn first hand how the Dutch are tackling the issue of increasing energy efficiency and utilizing alternative energy resources -- both within industry and at home. Your meetings with Dutch Transport and Water Ministry officials, tour of the Dutch Delta Works system (storm surge barriers), and "Room for Rivers" project (climate adaptation) will showcase Dutch expertise in water and flood management as a response to global warming and rises in sea levels. Your program will also include exchanges with the Netherlands Water Partnership, an independent public-private organization that coordinates and promotes the activities of the Dutch water sector overseas, including in the U.S. The following provides background for your program as well as information about the current political and economic situation in the Netherlands and areas of U.S.-Dutch cooperation. (Post has forwarded a detailed schedule as well as briefing materials and biographical information on Dutch meeting participants to Military Escort Ed Martin.)

Energy Efficiency and Wind Power  
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12. In early 2007, the European Union (EU) introduced an integrated common energy and climate change proposal that seeks by the year 2020 to reduce greenhouse gas emissions by 20 percent from 1990 levels, derive 20 percent of all power from renewable sources, save 20 percent of total primary energy consumption, and run 10 percent of vehicles on bio-fuels. Additionally, the EU promised to increase the EU-wide emissions reduction target to 30 percent, if other developed nations matched that goal. In response to this proposal, the Netherlands took the additional step of committing independently to a 30 percent reduction over 1990 levels of greenhouse gas emissions by 2020.

13. A central feature of the Dutch reduction plan is a "sustainability" accord drawn up between the government and the leaders of 10 major industries outlining specific measures to reduce emissions, increase the supply of renewable energy, and improve energy efficiency. The Dutch government believes the comprehensive inclusion of energy market stakeholders will make the ambitious target of 30 percent reduction achievable by 2020. The introduction of more renewable energy sources, including a 100 percent increase in wind power, is also expected to contribute to the reduction in emissions. Other proposed measures include increasing energy

efficiency by mandating that all new buildings be carbon neutral by 2012 and introducing a differentiated tax scheme for the automotive industry to provide incentives for purchasing fuel efficient vehicles.

¶4. During your visit you will tour a Wind Turbine Laboratory (WMC) that specializes in applied research on materials, components and structures of wind turbine structures. The facility is one of the largest of its kind in the world and tests wind turbines of over 60 meters (200 feet) in length and machines weighing up to 300 tons. WMC is the result of a joint venture between the Energy Research Center of the Netherlands (ECN) and the University of Delft.

¶5. You will later visit ECN itself, the largest research laboratory in the Netherlands devoted to energy. It operates along the same lines as the National Laboratories in the U.S. (Sandia National Laboratory, Lawrence Livermore National Laboratory). It is partly financed by the Dutch government and partly self-financed with revenue from joint projects with industry and patents it develops. ECN develops technology for renewable energy (wind, solar, biomass, fuel cell, and hydrogen) as well as coal, gas and nuclear power. ECN is also a major player in shaping energy policy for the Netherlands. The Dutch government used ECN's 2006 "Options Document" as the basis for its plan to have renewable energy generate 30 percent of the country's energy by 2020. The document created considerable political controversy as it also recommended increased investment in nuclear power.

#### Water Management and Flood Control

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¶6. Throughout Dutch history, flooding and water management have been major factors shaping the Netherlands geographically and institutionally. Bridges, dikes, windmills, and pumping stations are well-known symbols of the Dutch struggle against the sea and rivers. An estimated 75 percent of Dutch gross domestic product is generated at locations below sea level. These areas largely consist of polders, which are flat stretches of land surrounded by dikes

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where the water table is controlled artificially. However, elevating dikes will no longer offer long-term protection against rising sea levels associated with global warming and greater volumes of water in rivers.

¶7. During your visit, you will hear from Ministry of Transport and Water State Secretary Tineke Huizinga-Heringa about how the Dutch are rethinking their strategies and charting new courses in water management, including shifting from "hard" defenses such as dikes to more natural defenses. Your tour of the Dutch Delta Works system will highlight the Maeslant storm surge barrier, a movable structure built to avoid the raising of dikes around Rotterdam. Its unique design -- a movable barrier that can be closed when water levels threaten existing dikes in the area -- does not hinder shipping to this important port city. Another part of your program will include a tour of the "Room for Rivers" project, which seeks to manage the discharge of large volumes of water in the Rhine, the Waal, and the Meuse rivers. You will also hear what the Netherlands Water Partnership, an independent public-private organization, is doing to coordinate and promote Dutch water management expertise in places such as Louisiana, Florida, California, and New York. (The Dutch provided extensive material support and expertise to the New Orleans area and the Army Corps of Engineers following Hurricane Katrina.)

#### Political Overview

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¶8. The Netherlands is slightly less than twice the size of New Jersey and has a population of 16.4 million. The Netherlands is a constitutional monarchy with a parliamentary form of government. Queen Beatrix is the titular head of state and has mostly ceremonial duties, but does retain some political influence. Prime Minister Jan Peter Balkenende's center-right coalition government collapsed in the summer of 2006, at the beginning of its fourth and final year in office, when the Social Liberal (D66) party, the smallest of the three coalition partners, withdrew its support. Precipitating

factors were a move by then Immigration Minister Rita Verdonk to strip former Parliamentarian Ayaan Hirsi Ali, a Somali refugee, of her Dutch passport because she had lied on her residency application.

¶9. Following elections in November 2006, Prime Minister Balkenende formed his fourth coalition government since 2002, this time comprised of his center-right Christian Democratic Alliance (CDA), center-left Labor (PvdA), and orthodox Protestant Christian Union (CU) parties. Fringe parties on the right (Party of Freedom) and left (Socialist Party) did unexpectedly well in these elections, but had little impact on the cabinet formation process. Balkenende's coalition holds a narrow majority (80 out of 150 seats) in the Lower House of Parliament and must cope with political pressure from both right and left.

#### Economy Overview

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¶10. The Dutch economy depends on trade; Amsterdam's Schiphol Airport (Europe's fourth busiest) and the Port of Rotterdam (Europe's largest) make the country a gateway to Europe. The Netherlands is the fourth largest source of accumulated foreign direct investment in the United States and is the third largest destination of foreign direct investment from the United States. GDP grew by 2.9 percent in 2006, which put the Dutch ahead of eurozone averages for the first time in seven years. Unemployment has fallen to 5.5 percent.

#### U.S.-Dutch Cooperation

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¶11. The Dutch generally take similar approaches to the U.S. on international security, human rights, free trade, and rule of law issues, although differences on specific policies are not uncommon. The Dutch are committed internationalists who support strong transatlantic ties through NATO and the further development of the European Union. Long active in peacekeeping missions in the Balkans, Dutch military forces participated in Operation Enduring Freedom, made significant contributions to stabilization efforts as part of Operation Iraqi Freedom, and continue to take part in NATO's International Security Force in Afghanistan. The Netherlands is also an international legal center and hosts the International Court of Justice, the Iran-U.S. Claims Tribunal, and the International Criminal Tribunal for the Former Yugoslavia.

#### U.S. Mission Background

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¶12. The U.S. Mission to the Netherlands, including the Embassy in The Hague and the Consulate General in Amsterdam, has employees from the Departments of State, Commerce, Agriculture, Justice (DEA and FBI), Homeland Security (DHS), Defense, and NASA. DHS's Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP) maintain offices in Rotterdam and at Schiphol Airport. The U.S. Secret Service has a Europol liaison officer stationed in The Hague. The Consulate General in Amsterdam provides all consular services in The Netherlands and includes offices for DHS's Customs and Border Protection and the Commerce's U.S. Commercial Service. It serves a resident American population of 41,000 in addition to over one million U.S. visitors annually.